

From: Tom Watson
To: Microsoft ATR
Date: 11/16/01 10:30pm
Subject: DOJ settlement is not in consumers' best interest

To: US Department of Justice
Re: Proposed Microsoft Settlement

Having followed the personal computer industry since its inception, I am greatly disappointed in the government's decision to settle the Microsoft antitrust case on such unfavorable terms to consumers.

As far back as the early 90's, Microsoft was using unfair and misleading practices (e.g. intentionally causing errors and misleading messages when Windows 3.1 was installed atop DR-DOS) to hobble competitors. By refusing to provide usable versions of its Office software on competitors' operating systems and making file conversion difficult, Microsoft established Office as a standard for all users. Later, when it had fairly well conquered the personal computer operating system and productivity software market, it began throwing its weight (and financial muscle) around in an effort to hijack the Internet (e.g. giving away / bundling Internet Explorer for free to undermine Netscape's revenue stream). Having retired all comers in the browser market, Microsoft has now set its sights on owning all transactional authentication rights on the Internet. The obvious goal is to insert itself into (and charge a fee for) every transaction which occurs on the Internet.

In each of these instances, Microsoft has leveraged its Windows monopoly (established as fact in Judge Jackson's court) to move into another part of the computer software market.

By settling the case on the proposed terms, the government would be:

- 1) Forgiving Microsoft for 10 years of monopolistic behavior
- 2) Ignoring the harm caused to consumers by the artificially high cost of Microsoft Windows (which has been used to subsidize Microsoft's entry into all these other software markets)

I urge the DOJ not to settle with Microsoft on the proposed terms. I believe strongly that significant harm has been done to consumers and that Microsoft should be held financially accountable, as well as structurally reformed to prevent further abuse of the Windows monopoly. The remedies proposed by Judge Jackson were appropriate.

Finally, I urge the government to hold the officers of the company responsible (individually and collectively) if it can be shown that harm to consumers resulted from their actions.

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